

LETTER FORM OF LETTER OF CREDIT

<This Letter of Credit to be Placed on Financial Institution's Letterhead>

<DATE>

BENEFICIARY

City of Chula Vista
Department of Public Works
Engineering Division
276 Fourth Avenue
Chula Vista, California 91910

IRREVOCABLE STANDBY LETTER OF CREDIT AS GUARANTEE OF (CONSTRUCTION) or (GRADING) PERMIT

We, (Name of financial institution, San Diego area, only) hereby establish our Irrevocable Letter of Credit No. _____ in your favor, for the account of <NAME AND ADDRESS OF DEVELOPER>, in the aggregate amount of _____ dollars (\$ _____), as of the date set forth above.

The amount as specified above shall be available by your drafts at sight on ourselves and accompanied by the document specified below:

The signed certification of the City Engineer of the City of Chula Vista that (Owner's name) has not complied with the terms and conditions of that certain (Construction or Grading) Permit No. _____.

It is the condition of this Letter of Credit that it shall be deemed automatically extended without amendment for one year periods from the expiration date hereof, or any future expiration date unless at least sixty (60) days prior to any expiration date, (Name of financial institution) shall notify the City of Chula Vista in writing that we elect not to renew this Letter of Credit for any such additional period. It is understood that the City of Chula Vista has the right to demand the amount of this security if notice of expiration is given. Upon receipt by City of Chula Vista of such notice, you may draw hereunder by means of your drafts at sight on us, accompanied by the signed statement of the City Engineer that (Owner name) has not completed the work required by said (construction) or (grading) permit.

If, prior to the expiration of this Letter of Credit, we shall have received the written certification of the City Engineer of said City stating that the applicant has constructed, or caused to be constructed, to the satisfaction of the City, the facilities or portion thereof guaranteed by this Letter of Credit, the full aggregate amount of this Letter of Credit shall expire upon receipt of such certification and shall no longer be available for drawing thereafter.

(Signed by officer of bank or financial institution, with notarization)